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Message Text

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ACTION EB-08

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E.O. 11652: N/A
TAGS: EIND, ETRD, BDIS, BE
SUBJECT: FMC SODA ASH CASE: MINISTER CLAES' REPLY TO AMBASSADOR'S DEMARCHE

REF: BRUSSELS 3482

1. AMBASSADOR HAS RECEIVED REPLY FROM MINISTER FOR ECONOMIC AFFAIRS CLAES TO HER FEBRUARY 22 DEMARCHE CONCERNING FMC SODA ASH CONTROVERSY. TEXT OF MARCH 15 LETTER FOLLOWS (INFORMAL EMBASSY TRANSLATION):

2. BEGIN TEXT: BARGAINING FOR THE SUPPLY OF NATURAL SODA.

DEAR MADAME AMBASSADOR:

I WOULD LIKE TO THANK YOU FOR YOUR VISIT OF FEBRUARY 22, IN THE COURSE OF WHICH WE DISCUSSED THEPROBLEMS CONCERNING THE CONCLUSION OF NEGOTIATIONS BETWEEN FMC AND THE BELGIAN GLASSMAKERS, AS WELL AS THE LAWSUIT RESULTING FROM IT, WHICH HAS BEEN BROUGHT BY FMC BEFORE THE BRUSSELS COMMERCIAL COURT.

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I WANT TO EMPHASIZE THAT, IN THIS AFFAIR, MY CABINET HAS NEVER HAD THE INTENTION OF INFLUENCING THE BELGIAN PARTIES CONCERNED TO CHOOSE ONE SOLUTION IN PREFERENCE TO ANOTHER, TAKING INTO ACCOUNT THE STRICTLY COMMERCIAL CHARACTER OF THE ONGOING DISCUSSIONS.

NO CONTRACT TO ITS KNOWLEDGE HAVING BEEN SIGNED BETWEEN

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FMC AND THE BELGIAN GLASSMAKERS, MY CABINET CONTENTED ITSELF WITH INVITING THE PARTIES TO DISCUSS (THE QUESTION) WITH A VIEW TO ARRIVING AT A CONCLUSION, WHICH IS PRESENTLY THE CASE.
IN EFFECT, AS I HAD MENTIONED TO YOU, THE DIFFERENT BELGIAN PARTIES HAD ARRIVED AT THE POINT OF NO LONGER COMMUNICATING WITH ONE ANOTHER.

AS IS NORMAL IN THIS KIND OF SITUATION, THE MINISTRY OF ECONOMIC AFFAIRS, AT THE REQUEST OF THE PARTIES, LENT ITS GOOD OFFICES. COMMERCIAL DISCUSSIONS BETWEEN ALL PARTIES TOOK PLACE OUTSIDE OF THE GOVERNMENT PRESENCE.

I WILL NOT CONCEAL FROM YOU THAT INTERNATIONAL COMPETITION BETWEEN ARTIFICIAL AND NATURAL SODA RISKS POSING PROBLEMS OF THE LEVEL OF EMPLOYMENT IN THE CHARLEROI REGION, ALREADY HARDHIT BY THE STEEL RECESSION. THIS RISK HAS THE PARTICULAR CHARACTER OF RESULTING FROM A CONVERGENCE OF ECONOMIC FACTORS WORKING TEMPORARILY IN THE SAME DIRECTION.

I WANT TO TELL YOU THAT I AM PARTICULARLY EAGER TO CONTRIBUTE TO THE MAINTENANCE OF A GOOD COMMERCIAL AND INDUSTRIAL CLIMATE BETWEEN THE UNITED STATES AND BELGIUM. AS IN THE PAST, THE MINISTRY OF ECONOMIC AFFAIRS WILL GIVE ITS FULL SUPPORT TO THE DEVELOPMENT OF AMERICAN INVESTMENTS AND TO THE ESTABLISHMENT OF JOINT VENTURES BETWEEN
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FIRMS OF OUR TWO COUNTRIES.

THEREFORE, I WOULD BE HAPPY TO BE ABLE TO BE FORTHCOMING TO FMC IN ITS INDUSTRIAL PROJECTS AND I WOULD BE EAGER TO INITIATE A BROAD EXCHANGE OF VIEWS WITH ITS DIRECTORS.

AS AGREED, DURING OUR LAST DISCUSSION, YOUR EMBASSY AND MY CABINET (MRS. ANNE VANDER HOFSTADT, LEGAL ADVISOR) WILL KEEP IN TOUCH CONCERNING THE AFFAIR WHICH PITS FMC AGAINST THE BELGIAN GLASSMAKERS.

MY CABINET WILL FOLLOW WITH PARTICULAR ATTENTION THE LAWSUIT BEFORE THE BRUSSELS COMMERCIAL COURT AND WILL BE ATTENTIVE TO ALL THE RELATED PROBLEMS THAT COULD AFFECT COMMERCIAL RELATIONS BETWEEN THE UNITED STATES AND BELGIUM.

COMPLIMENTARY CLOSE) END TEXT.

3. COMMENT: AS MIGHT HAVE BEEN ANTICIPATED, MINISTER CLAES TOOK CARE TO ABSOLVE HIS CABINET FROM ANY HINT OF WRONGDOING OR OF EXCESSIVE INTERFERENCE IN A PURELY

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COMMERCIAL AFFAIR. HE ALSO DID NOT TAKE UP DIRECTLY THE PERSONAL SUGGESTION MADE BY THE AMBASSADOR IN HER DEMARCHE (REFTEL PARAGRAPHS 3 AND 4) THAT A COMPROMISE SOLUTION BE SOUGHT THROUGH A "STRETCHOUT" OF THE FMC-BELGIAN GLASS-MAKERS CONTRACT. BUT MINISTER CLAES DID REFER FAVORABLY TO FMC'S OTHER INTERESTS IN BELGIUM AND EXPRESSED THE DE-SIRE TO HAVE A BROAD EXCHANGE OF VIEWS WITH FMC, SOME-THING HE HAD BEEN UNWILLING TO DO EARLIER WHEN SENIOR FMC OFFICIALS SOUGHT AN APPOINTMENT WITH HIM TO DISCUSS THEIR GRIEVANCE. EMBASSY SUGGESTS THAT FMC VICE PRESIDENT MCLELLAN MAY WISH TO SEEK AN EARLY APPOINTMENT WITH CLAES.
CHAMBERS

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